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FM AMEMBASSY MADRID  
TO RUEHC/SECSTATE WASHDC PRIORITY 3036  
INFO RUEHUB/USINT HAVANA PRIORITY 0214  
RUEHLA/AMCONSUL BARCELONA 2921

C O N F I D E N T I A L SECTION 01 OF 02 MADRID 001420

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E.O. 12958: DECL: 07/16/2017  
TAGS: [PINR](#) [PREL](#) [SP](#) [CU](#)  
SUBJECT: (C) SPAIN'S RELATIONSHIP WITH CUBA (C-RE7-00940)

REF: A. SECSTATE 92831

[1](#)B. MADRID 1144

[1](#)C. MADRID 1179

Classified By: DCM Hugo Llorens for reasons 1.4 b & d.

[1](#)1. (C) SUMMARY: Post appreciates INR's careful attention to the evolving issue of Spain's engagement with Cuba. The Ambassador and DCM, as well as Washington visitors, continue to take every opportunity to express to the GOS our disagreement with its current policy. Additional information on the relationship, keyed to Ref A's questions, is provided below. END SUMMARY.

[1](#)2. (C/NF) Question A: Foreign Minister Moratinos told the Ambassador that he and his Chief of Staff Javier Sancho had initiated the Cuba trip on their own and did not act on instructions from President Zapatero's office in Moncloa. As we understand Moratinos' decision-making and leadership style, he has a certain amount of autonomy and shares with Zapatero a penchant for sudden, almost theatrical, announcements that are not widely consulted first. Moratinos is most likely to resort to these tactics when he feels that he is not getting the respect that he believes that he deserves. The specific timing of Moratinos' visit to Havana may have had to do with a sudden change in Moratinos' calendar or the felt need to set a new course before the EU's then-upcoming Cuba deliberations scheduled for June. Politically, the visit was timed on the eve of regional and municipal elections held on May 27 and intended to mobilize the more left-wing base of the ruling Socialist Party (PSOE).

[1](#)3. (C/NF) Question B: Although the opposition Popular Party has attempted to score domestic political points from Moratinos' trip to Cuba, the issue has not gained traction with the public. The Government has more or less successfully made the case that the previous policy of isolation was not providing results, and that it was worth trying something new. The far left supports engagement with Cuba, and the center-left isn't focused on Cuba. Furthermore, most of the Spanish public, including more right-wing elements, are opposed to US sanctions against Cuba and there remains an abiding affection and nostalgia for Cuba, Spain's last major colony. Even right-of-center leaders like Manuel Fraga, a pillar of the conservative element in Spain, have met Fidel Castro. The bottom line was that there was no political downside for the Zapatero government in approving Moratinos' initiative. It is true that most of the senior "Cuba hands" in the Foreign Ministry, including Secretary of State for Latin American Affairs Trini Jimenez, Political Director Rafael Dezcallar and Director General for Latin America Javier Sandomingo, opposed the Foreign Minister's decision to travel to Cuba. However, once the decision was made, these senior officials have loyally promoted the new policy approach.

[1](#)4. (C) Question C: The media splits along ideological lines,

with conservative newspapers La Razon and ABC harshly criticizing GOS actions on Cuba. Even El Pais, which tends to support liberal policies and the current government, has been relatively critical of Moratinos trip, particularly the failure to meet with dissidents and the lack of discernible results.

¶15. (C) Question D: For details on the first session of the bilateral human rights dialogue, please see ref B's readout of DCM's conversation on June 11 with MFA Political Director Rafael Dezcallar, who had just returned from leading Spain's delegation to Havana. The GOS professes that it will exert "strong pressure" on human rights issues through this dialogue, and has sought to persuade us that the US can expect to see measurable results. The EU has offered to Cuba to a similar "comprehensive dialogue" and invited a Cuban delegation to Brussels to discuss details, but we are not aware that Cuba has responded at this time.

¶16. (C/NF) Question D (cont'd): MFA has announced that it will hold another dialogue session in September. MFA Deputy DG for human rights Fernando Fernandez-Arias (protect) told poloff that the Cubans proposed holding it in NYC at the time of the UN General Assembly. Dezcallar went along with this against the objections of Fernandez-Arias and the Spanish Ambassador to UN. Fernandez-Arias noted that the Spaniards would face certain problems with a NY meeting, including: where to hold the meeting; how to keep the meeting from taking place between Perez Roque and Moratinos; how to avoid being outsmarted by the Cubans during the incredibly hectic week; how to keep the Cubans from creating a media circus; and how to avoid the Spain-Cuba meeting becoming the focus of any US-Spanish bilateral talks. He also said that the Cubans were irritated that Spain issued a statement regretting the

MADRID 00001420 002 OF 002

loss of the UNHRC Special Rapporteur for Cuba, but that the Spanish replied that they really did regret losing it. The Cubans promised to make certain gestures, including opening access to the Red Cross, once the UNHRC mandate went away.

¶17. (C) Question E: MFA insists that it maintains a robust policy toward the dissidents, and notes that MFA DG for Latin America Sandomingo met with Cuban dissident groups in Madrid on June 19 to explain GOS policy. According to MFA, he described the "frank and constructive" environment of Dezcallar's meeting in Havana and emphasized that "all issues" were on the table. Dissidents including Raul Rivero and Cuba Democracia Ya leader Rigoberto Carceller attended the meeting, but criticized the GOS policy. Carceller said "I don't doubt that they have talked about everything in Havana, but I don't think that they will achieve any results." The Madrid-based dissidents insisted that the Spanish government meet with dissidents in Havana whenever it meets with the Cuban government.

¶18. (C) Question F: Updated information on major Spanish business interests in Cuba is detailed in Ref C. Most Spanish businessmen, regardless of political persuasion, are interested in Cuba. It is certain that Spanish companies seek to influence GOS decisions on Cuba, but they do so discretely in order to avoid possible Helms-Burton complications. It is likely that Spanish companies limit their possible lobbying to the economic dimension of the relationship. As discussed above, the Zapatero government is engaged with the Cuban regime, so it is not likely that Spanish firms are needed as conduits between Havana and Madrid. Press reports indicate that Repsol has won the right to prospect for oil in a number of blocks off the coast of Cuba, but there are no publicly available numbers on how much money, if any, Repsol has spent on physical oil and gas exploration in Cuba.

¶19. (C) Question G: The Ministry of Economy & Finance and the Ministry of Industry, Tourism and Trade do influence the economic dimensions of Spanish Cuba policy, particularly with

respect to debt forgiveness negotiations and export credits. These ministries prefer to use economic criteria in making Cuba-related decisions but will bend to foreign policy considerations, particularly if the Office of the Presidency insists. The Office of the Presidency's Economic Office has not been active on Cuba policy as far as we know, but it certainly could be.

¶10. (C) Question H: On March 11, 2007, the Cuban government formally asked the GOS for debt relief negotiations, for the Spanish Export Credit Agency (Cesce) to grant export credits again for Spanish exports to Cuba, and to renegotiate a Bilateral Investment Treaty. Since then, there has been little discussion on the status of these issues. We do know, however, that the Ministry of Economy's preference is to use Paris Club criteria in determining how much Cuba debt Spain should forgive/renegotiate - we know that the Ministry is prepared to deal on a portion of the debt. With respect to export credits, Cesce reports to the Ministry of Industry. This Ministry is so far not convinced that Cuba meets the normal criteria for reestablishing export credits. It is worth noting, however, that despite the absence of export guarantees, Spanish exports to Cuba went from Euros 489 million in 2005 to Euros 692 million in 2006. We do not know the status of the negotiations on a possible Bilateral Investment Treaty.

¶11. (C/NF) Question I: Spain considers itself the EU opinion leader on issues related to Latin America. It does not willingly take advice from any other country on Cuban issues, but as the recent debate over the EU Common Policy shows, it can be forced to back down by concerted action by other EU members. It is useful, in Embassy Madrid's opinion, to develop alternative voices within the EU to challenge alleged Spanish leadership on Cuba policy when this leadership appears in conflict with the EU's own common policy and broader stated goals of support for democracy and human rights.

¶12. (C) Question J: As was widely reported in the press in early June, Spain tried and failed to lift the EU sanctions on Cuba. It may try again in the future, particularly if it can show results from its engagement with the Castro regime.  
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